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DEPT OF LABOR FOR JRICHARDS USAID/LAC/RSD FOR BMACDONALD STATE FOR WHA/PPC - MIKE PUCCETTI; DRL/IL - PATT DEL VECCIO

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SUBJECT: CORRECTED COPY - EL SALVADOR PRIORITIES FOR LABOR PROJECTS THAT SUPPORT CAFTA-DR IMPLEMENTATION

REF: SECSTATE 26123

- Summary: Per reftel, this cable provides Post ¶1. priorities for CAFTA-DR labor-related trade capacity building (TCB) activities for FY 2006. The proposals described here build upon a consultative process that began almost six months ago and reflect a consensus view on El Salvador's key labor needs. They are: -- Strengthening the Public Defender's Office in El
- Salvador: \$900,000.
- -- Strengthening Labor Justice in El Salvador: \$600,000.
- -- Strengthening Labor Justice in CAFTA-DR countries: \$7,900,000.
- -- Strengthening Private Labor Standards and Alternative Dispute Resolution: \$4,000,000.
- -- Strengthening Ministry of Labor Functions in CAFTA-DR countries: \$4,000,000.
- A separate cable contains post's summary of CAFTA-DR environment needs. See concluding comment para 61. Summary.
- Nearly six months ago, Post began a consultative process to identify key labor trade capacity needs in El Salvador for FY 2006 and beyond. This process consisted of consultations with governments, regional integration institutions, and the private sector identified several priority needs. Post also relied heavily on the recently completed USAID assessment on labor justice in CAFTA-DR countries.
- The proposals presented here represent a consensus view among these parties of key USG projects that will help El Salvador and other countries in the region meet the requirements of CAFTA-DR labor provisions. Post recognizes that El Salvador is, in many ways, in a unique position visavis other CAFTA-DR countries in its efforts to implement CAFTA-DR and its relationship with the United States. El Salvador led the fight within the region for ratification by Central American signatories. El Salvador was the first country for which the treaty entered into force with the U.S. (on March 1, 2006). Also, the U.S. Mission in El Salvador has a strong regional presence and serves as the base for regional offices of USG agencies such as Department of Commerce and USAID. As a result, the proposals presented here include both some that focus exclusively on El Salvador and some that recognize the benefits of working regionally to address labor issues of concern to El Salvador and its neighbors.

14. TITLE: Strengthening the Public Defender's Office in El Salvador

15. PURPOSE: This activity identifies priorities for strengthening the Public Defender's Office in El Salvador, enabling it to provide effective representation in labor cases, and provide labor mediation services throughout the

- 16. DESCRIPTION AND JUSTIFICATION: The Public Defender's Office in El Salvador (Procuraduria General de la Republica) is an independent governmental institution that has the constitutional mandate to provide legal assistance to persons who cannot afford representation of their legal rights, including labor rights. The PGR enjoys high regard in the country and is perceived as neutral, despite funding and infrastructure limitations plaguing all public entities.
- 17. USAID has worked with the Public Defender's Office to strengthen its criminal defense division, and there is potential for using this as a building block for strengthening its legal support division in labor law. The institution's Unit for the Defense of Workers' Rights has a National Coordination Office, 15 paralegals, and 49 Labor Public Defenders in 15 regional offices throughout the country. Once requested, workers can receive representation during both the administrative and judicial process; however, the time to actually assign an attorney to a worker can take up to 25 days which can be prejudicial to timesensitive cases. There is a need to strengthen the legal teams' expertise with labor law and jurisprudence, as well as improve administrative management.
- 18. The Public Defender's Office is a leader in the Alternative Dispute Resolution (ADR) field in El Salvador and has incorporated mediation into all of its regional offices, mostly to help resolve family and community disputes. Labor cases are rarely referred to the Mediation Centers, in part because there has never been an effort to hire and train labor mediators. With its regional offices and two mobile mediation units, a new labor mediation function offers the opportunity to increase access to labor mediation in the country.

## 19. Expected Results:

country.

- $\mbox{--}$  Increased capacity in the PGR to represent clients on labor issues.
- $\mbox{--}$  Strong labor mediation function established in the PGR's regional and mobile offices.

### 110. Specific Activities:

- -- Provide labor law training to the PGR. With training, the PGR has the potential to extend its successful support for criminal cases to the labor area. In addition USAID will also provide technical support to improve operations, so that the PGR can more rapidly respond to requests for legal assistance.
- -- Establish a strong labor mediation function in the PGR's regional operations. USAID assistance will contribute to the creation of a dedicated and trained cadre of professionals that can quickly identify the nature of conflicts, recognize the issues and find remedies. USAID will support staff training on best management practices such as: developing procedure manuals, operating formats, profiles for mediators and conciliators, oversight mechanisms, how the unit functions, quality registries, record-keeping, utilization of statistics and indicators for planning, follow-up and evaluation of mediation programs. Support will also examine legal/regulatory barriers to effective alternative dispute resolution, and possible remedies.

- 11. U.S. POLICY OBJECTIVES: Concern about the ability of CAFTA-DR countries to guarantee internationally-recognized labor rights was a significant concern during the passage of the agreement. In a side agreement to the treaty, the signatories committed to improve labor conditions and increase compliance with labor laws. This program supports El Salvador's efforts to achieve this critical foreign policy goal.
- ¶12. NEW/PREVIOUS WORK: USAID has focused its efforts on improving transparency, efficiency and timely responses in certain judicial system functions by promoting the use of alternative dispute resolution (ADR) mechanisms in particular mediation. This support has been directed mostly at the PGR and has included strategic planning with implementing entities, implementation and construction of the ADR Centers, and extensive training of mediators. In the past experience, these efforts have dealt with civil cases that do not include labor grievances. Taking advantage of this successful platform, USAID proposes to extend its successful partnership with the PGR to labor law and mediation.
- 113. COST: \$900,000 of FY 2006 funds.
- 114. LOCAL BUY-IN: The National Commission for the Coordination of the Justice Sector, a coordinating body among the Supreme Court, the Attorney General, the Public Defender, the Minister of Governance, and the National Council of the Judiciary, has identified the promotion of ADR as one of their main priorities for the next five years and formally designated the Public Defender's Office as the responsible government entity. The Public Defender's mediation program is supported by the National Mediation Coordination Unit which offers guidance and oversight to its regional offices. The Public Defender's Office has expressed an interest in strengthening its labor-related functions.
- 15. PUBLIC DIPLOMACY STRATEGIES: Given the opportunity to strengthen an organization with a proven record of success, the activities described represent an important partnership

between the US Government and El Salvador. They demonstrate that government commitments made during the CAFTA-DR process to improve labor conditions and have available working mechanisms for speedy and successful resolution of labor conflicts are serious. For public diplomacy, therefore, these activities will support US credibility in El Salvador.

- 116. TITLE: Strengthening Labor Justice in El Salvador
- 117. PURPOSE: This activity identifies priorities for strengthening key judiciary functions related to labor justice in El Salvador.
- 118. DESCRIPTION AND JUSTIFICATION: As in other countries throughout the region, compliance with labor law in El Salvador is deficient. The judiciary lacks adequate technical capacity in conciliation, oral proceedings, and handling small claims; needs upgraded literacy in labor law and jurisprudence; and suffers from administrative mismanagement and allegations of corruption.
- 119. There are several obstacles to effective administration of labor justice specific to the judiciary in El Salvador. The key problem is the lack of training in labor law of labor judges and judges of mixed competency located in judicial districts isolated from urban centers. Moreover, a variety of legal process protections for workers are ignored in practice, improperly disallowing oral proceedings, skipping the conciliation stage of labor cases, and dismissing labor complaints on technicalities.

- -- Key judiciary functions reformed, including conciliation and oral proceedings.
- -- Professional qualification requirements established and judicial system operators trained in labor law and labor justice system operations.
- -- Electronic case management, trial management, and jurisprudence systems implemented, enabling the judiciary to resolve labor cases faster and more effectively, and providing information needed for other reforms.
  -- Strengthened judicial capacity in judicial districts outside of urban centers.

#### 121. Specific Activities:

- -- This activity will strengthen judiciary procedures, increase staff qualifications, and implement electronic case management in El Salvador. This effort will complement the proposed regional activity (Paragraph 27) and focus additional USG assistance on reform of judicial institutions, capacity building, and information communication technology. It will also build on El Salvador's limited but growing expertise in alternative dispute resolution, and provide assistance for further training and institutional development. -- Strengthen capacity in judicial districts outside of urban centers. Outside of urban centers, judges hear a variety of legal matters (civil, penal, family, labor) and need additional tools. USAID will provide additional training in managing oral hearings, conciliation techniques, and international treaties to judges of mixed competency. In addition and on a pilot basis, the program will support creation of a mobile court facility to provide outreach to remote areas of the country.
- 122. U.S. POLICY OBJECTIVES: Concern about the ability of CAFTA-DR countries to guarantee internationally-recognized labor rights was a significant concern during the passage of the agreement. In a side agreement to the treaty, the signatories committed to improve labor conditions and increase compliance with labor laws. This program supports El Salvador's efforts to achieve this US foreign policy goal.
- ¶23. NEW/PREVIOUS WORK: Reform of judicial institutions will extend USAID's efforts in human rights and criminal cases to the labor justice area. The case management component will build on the successful USAID and US Department of Labor experiences with electronic case management systems in Ministries of Labor in the region, as well as USAID's
- experience implementing case management for the Guatemalan criminal court. USAID successfully piloted the creation of a mobile court facility to serve rural regions in Guatemala, which holds promise for a similar institution in El Salvador.
- 124. COST: \$600,000 is needed in FY 2006 to strengthen courts of mixed competency and pilot a mobile court facility. It is also anticipated that El Salvador will receive approximately \$900,000 from the region-wide program for strengthening labor justice in CAFTA-DR Countries, (see paragraph 27) for case management, technical assistance, training, and commodity support.
- 125. LOCAL BUY-IN: Interviews with Supreme Court and other court officials and administrators, judicial school and university professors and administrators, Labor Ministries, industry associations, labor unions, human rights organizations and independent labor experts in all six CAFTA-DR countries generated the recommendations described here, compiled in a recent USAID assessment. This program is also reflective of priorities in the labor White Paper.
- 126. PUBLIC DIPLOMACY STRATEGIES: Activities described extend the commitment to improving access to labor justice and increasing compliance with the law beyond more developed urban centers. Making good on these commitments in partnership with the Government of El Salvador strengthens

the credibility of the US among historically underserved populations.

127. TITLE: Strengthening Labor Justice in CAFTA-DR Countries

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- 128. PURPOSE: This activity will help governments in the CAFTA-DR countries strengthen the labor justice function through institutional reform, training, and implementation of effective case management in the judicial branch.
- 129. DESCRIPTION AND JUSTIFICATION: While labor laws on the books in the CAFTA-DR countries are generally adequate, labor protection provisions are often violated, and it is difficult for workers to get relief in a timely and equitable manner through the justice system. The judiciary lacks technical capacity in conciliation, oral proceedings, and handling small claims; needs to better understand labor law and jurisprudence; and suffers from administrative mismanagement and allegations of corruption.
- 130. USAID will support institutional change in judiciary institutions across the region. Strengthening conciliation and oral proceedings will increase access to justice and expedite settlements. To professionalize the judiciary, USAID will support personnel system reforms that establish minimum standards for legal literacy in labor law for different job categories. This will create incentives for staff and other participants in the labor justice system to participate in training. USAID will strengthen training institutions to sustain this effort.
- 131. In looking at judicial reform it is difficult to know where the real bottlenecks are since there is no systematic way of tracking labor cases. As a first step, USAID will support improved case management systems and a strengthened court clerk function as essential prerequisites for ensuring that the judicial system is able to enforce labor laws effectively. These systems will introduce transparency and facilitate efficient administrative management.

# ¶32. Expected Results:

- -- Electronic case management, trial management, and jurisprudence systems implemented in all CAFTA-DR countries, enabling the judiciary to resolve labor cases faster and more effectively, and providing information needed for other reforms.
- -- Key judiciary functions reformed, including conciliation and oral proceedings.
- -- Professional qualification requirements established and judicial system operators trained in labor law and labor justice system operations.

# 133. Specific Activities:

- -- Design/implement electronic case management for the judiciary. This component will integrate case management into Information Communication Technology (ICT) systems, providing hardware, software, networks, and other infrastructure to the judiciary, establish judiciary ICT support offices, and provide technical training for users of the system. Case management, trial management, and jurisprudence systems will be introduced, and the judiciary and Labor Ministry case tracking systems will be linked to ensure cases are followed throughout the entire process.
- -- Strengthen the judiciary's use of conciliation and oral proceedings. To improve the conciliation function, USAID will support changing court procedures, training judges and clerks on conciliation techniques, and renovating office space to create privacy for sensitive discussions. Similar assistance will address oral proceedings/small claims.
- -- Establishing professional qualification requirements in the judiciary. Judges and clerks, Ministry of Labor staff

- will seek training to upgrade their labor law. USAID will support creation of labor law training capacity in the Judicial Schools (national bodies that train court personnel), as well as other institutions like law schools.
- 134. U.S. POLICY OBJECTIVES: Concern about the ability of CAFTA-DR countries to guarantee internationally-recognized labor rights was a significant concern during the passage of the agreement. In a side agreement to the treaty, the signatories committed to improve labor conditions and increase compliance with labor laws. This program supports the CAFTA-DR countries' efforts to achieve this critical US foreign policy goal.
- 135. NEW/PREVIOUS WORK: Reform of judicial institutions will extend USAID's judicial reform efforts in human rights and criminal cases to the labor justice area. The case management component can build on the successful USAID and US Department of Labor experiences with electronic case management systems in Ministries of Labor across the region, as well as USAID's experience implementing case management for the Guatemalan criminal court.
- 136. COST: \$7.9 million of FY 2006 funding is required for this effort. Of this sum, an estimated \$900,000 each would be allocated for Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua to support implementation of case management systems, although amounts could be reallocated depending on country needs and absorptive capacity. The remainder would support the other elements of this activity.
- 137. LOCAL BUY-IN: Interviews with Supreme Court and other court officials and administrators, judicial school and university professors and administrators, Labor Ministries, industry associations, labor unions, human rights organizations and independent labor experts in all six CAFTA-DR countries generated the recommendations described here, compiled in a recent USAID assessment. Local buy-in also has been ensured through ongoing relationships at USAID Missions throughout the region. This program is reflective of priorities in the White Paper.
- 138. PUBLIC DIPLOMACY STRATEGIES: Activities described represent a high profile partnership between the US Government and the governments of the region in modernizing their systems, improving access to labor justice, and increasing compliance with the law. They demonstrate that government commitments made during the CAFTA-DR process to improve labor conditions in the region are serious. For public diplomacy, therefore, these activities should generate a big win for US credibility in the region.
- 139. TITLE: Strengthening Private Labor Standards and Alternative Dispute Resolution
- 140. PURPOSE: This activity will work through a public-private alliance to expand the use of and compliance with private labor standards and strengthen non-governmental dispute resolution centers, leveraging public funds with private sector resources.
- 141. DESCRIPTION AND JUSTIFICATION: With China poised to dominate world apparel markets, many multinational retailers are anxious to ensure that CAFTA-DR countries offer a competitive alternative source of supply. Labor productivity and quality assurance are keys to the region's competitiveness, and are a direct result of existing labor relations and workplace conditions. Moreover, multinational companies have strong incentives to address poor labor practices by their suppliers in Central America that threaten the international reputation of their brands. For these reasons, the private sector has sought to raise labor standards in the region, supporting a range of company-specific and industry-wide standards, bolstered by large

investments in private labor inspection and monitoring.

- 142. In many cases, multinationals have greater leverage on labor standard compliance than state regulators. The "carrot" of multimillion dollar sales contracts dwarfs the "stick" of administrative fines imposed by governments. Also, corporate buyers' labor standards are uniform across the region whereas government regulators are hamstrung by the ability of manufacturers to shift production across the border to avoid stricter standards and enforcement in any one country. USAID support of alliances of multinational buyers, locally-based suppliers, business associations, labor unions, human rights groups, and government to strengthen private sector labor standards offers a way to expand impact and build a culture of compliance beyond support to government institutions and leverage resources while doing so.
- 143. Similarly, private institutions offer speedier, less costly alternatives to the courts for individual and collective dispute resolution. Integrating these functions into company human resource management offers opportunities as well. Continued US Government assistance could broaden the impact of these private sector efforts and make them sustainable.

### ¶44. Expected Results

- $\mbox{--}$  Increased compliance with private labor standards by apparel manufacturers.
- -- Labor standard alliances established and compliance increased in other industries.
- -- Strengthened non-governmental institutions participating in compliance monitoring, dispute resolution, and training. -- Labor Ministries understand private sector labor standards and utilize opportunities to promote adherence and more effectively use limited government inspection resources.

## ¶45. Specific Activities:

- -- Work with standard setting alliances to help supplier factories develop systems for continuous improvement in labor standards and compliance. USAID has been piloting work with a public-private alliance (see New/Previous Work, below) to train workers and managers on their rights and obligations and to implement preventive conflict resolution in the workplace. Companies are also counseled on integrating labor concerns into human resource management systems. USAID, in partnership with alliance members, will expand this work, roll it out across the region, and introduce it into other industry sectors.
- -- Provide technical assistance, training, and grants to non-governmental organizations (NGOs) that provide services related to compliance monitoring, dispute resolution, and training. A broad variety of universities, technical institutes, student law clinics, community mediation centers, NGOs, industry and labor groups, and other organizations have grown up to support conciliation, mediation, labor audit and inspection, specialized services related to gender issues in the workplace, training on labor standards and labor law, and other labor standard compliance services. USAID will support civil society organizations with technical assistance on service expansion, financial management, and other management functions to ensure sustainability, as well as limited grant support.
- -- Promote constructive social dialogue to build a culture of compliance. In a region where frictions over labor

conditions have underlayed not only company-union disputes but violent civil conflict, social dialogue to promote a shared commitment to labor standard compliance and dispute resolution is essential. USAID will roll out and expand on pilot efforts to work with multinational buyers, in-country manufacturers, standard-setting organizations, labor unions,

government, and others to build a shared commitment to raising labor standards, based on a shared interest in competitiveness in order to increase exports and create or preserve jobs.

- 146. U.S. POLICY OBJECTIVES: Concern about the ability of CAFTA-DR countries to guarantee internationally-recognized labor rights was of particular interest during the passage of the agreement. In a side agreement to the treaty, the signatories committed to improve labor conditions and increase compliance with labor laws. This program supports the CAFTA-DR countries' efforts to achieve this critical US foreign policy goal.
- 147. NEW/PREVIOUS WORK: This program will build on the work supported by a USAID regional pilot program that has been working in alliance with the private sector and labor to improve working conditions in the Central American apparel and textile industry. The Continuous Improvement in the Central American Workplace (CIMCAW) Alliance works throughout the CAFTA-DR region, with partners including Gap Inc., the International Federation of Textile Workers, Social Accountability International, and Development Alternatives, Inc. The program trains managers and workers to improve social responsibility compliance while improving competitiveness in quality and productivity, including collaboration with the Corporacion de Zonas Francas in Nicaragua, ADOZONA in the Dominican Republic, and the Association of Honduran Maquilas. Another Alliance, with Caribbean-Central American Action, works to communicate the benefits of CAFTA-DR for local businesses and workers.
- 148. COST: \$4,000,000 in FY 2006 funding is needed for this activitiy. Of this amount \$250,000 each would be allocated to Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua for technical assistance, training, and grants to NGOs, although amounts could be reallocated based on country need and absorptive capacity. The remainder would support the public-private alliance, leveraged by additional private sector contributions.
- 149. LOCAL BUY-IN: Private dispute resolution was identified as the top priority for improving labor justice in interviews with Supreme Court and high and other court officials and administrators, judicial school and university professors and administrators, Labor Ministries, industry associations, labor unions, human rights organizations and independent labor experts in all six CAFTA-DR countries, conducted by a recent USAID assessment team. Local buy-in has also been ensured through relationships at USAID Missions in the region, as well as through existing Alliances. This program is reflective of priorities in the labor White Paper.
- 150. PUBLIC DIPLOMACY STRATEGY: US Government support for an alliance of high-profile multinationals together with labor unions and other partners to improve compliance with labor standards is likely to attract substantial public attention. It puts the spotlight on corporate social responsibility and ways that government, business, and civil society can work together to improve working conditions and competitiveness. Promoting the benefits of free trade, for workers as well as for business, is in the US national interest.

 $\underline{\mbox{1}} 51.$  TITLE: Strengthening Ministry of Labor functions in CAFTA-DR countries.

- <u>1</u>52. PURPOSE: This activity identifies priorities for strengthening key Ministry of Labor functions in CAFTA-DR countries through implementation of Information Communications Technology systems.
- 153. DESCRIPTION AND JUSTIFICATION: As stated in the Ministers of Trade and Labor White Paper, an efficient, transparent and broadly credible Ministry of Labor is a

prerequisite for the effective application of labor laws. One of the priorities identified by the ministers as a solution to these deficiencies is the improvement of information technology communications. Working in concert with the US Department of Labor's Cumple y Gana program and other donor support to the Labor Ministries, USAID will provide the Information Communications Technology (ICT) and in-house expertise as the backbone upon which the Labor Ministries can reorganize operational workflows enabling them to focus and manage key priorities such as case tracking, statistics, planning, budgeting and financial management, thus enhancing the authority and credibility of the labor ministries. To ensure sustainability, transfer of computer equipment will be dependent on the counterparts' demonstrated commitment to finance maintenance costs and implement management reforms.

## 154. Expected Results:

- -- Information communications technology implemented in all CAFTA-DR countries and linked to locations outside the capital cities, enabling Labor Ministries to have access to statistics on labor cases faster and more effectively.
  -- Labor Ministry staff trained to support a professional ICT Department assuring sustainability and in-house maintenance of the system.
- -- Operations outside capital cities strengthened including support of timely historical data and company registrations for mobile inspection teams.
- -- Improved utilization of key institutional statistics acquired through case tracking for planning and budgeting restructuring, thereby improving inspection effectiveness and overall efficiency.

## ¶55. Specific Activities:

- -- Design/implement information communications technology (ICT) systems for Labor Ministries. USAID will provide hardware, software, networks, and other infrastructure to Ministries of Labor, assistance to develop Ministry ICT support offices, and extensive technical training for all users of the system. Assistance will also be provided to Labor Ministries to expand to regions beyond capital cities, equipping and training mobile inspection units with systems linked to central ICT systems.
- -- Improve Ministry of Labor statistics for planning, budgeting, and financial management functions using information generated from ICT systems. USAID will support technical assistance and training to enable Ministries to strengthen key functions by using information generated from ICT systems. For example, assistance will be provided to train Ministry managers to use case tracking statistics to allocate staff and financial resources more efficiently, and monitor results more effectively. This will enhance the Ministries' ability to carry out inspections effectively and efficiently.
- 156. U.S. POLICY OBJECTIVES: Concern about the ability of CAFTA-DR countries to guarantee internationally-recognized labor rights was a significant concern during passage of the agreement. In a side agreement to the treaty, the signatories committed to improve labor conditions and increase compliance with labor laws. This program will assist CAFTA-DR countries to achieve this critical US foreign policy goal.
- 157. NEW/PREVIOUS WORK: USAID's efforts to implement an information communications technology system and an Information Technology support office for the Guatemalan Ministry of Labor have been highly successful. Online services now receive more than 800,000 hits per month, among the highest of any government institution. With the proposed activity, USAID will expand the initiative throughout the CAFTA-DR region strengthening ministries' information systems for improved labor compliance. USAID

- will take advantage of these platforms and the US Department of Labor's efforts, to better integrate information technology throughout the Labor Ministries.
- 158. COST: \$4,000,000 of FY 2006 funding is required for this activity.
- 159. LOCAL BUY-IN: Interviews with Supreme Court and other

court officials andadministrators, judicial school and university pofessors and administrators, Labor Ministries, industry associations, labor unions, human rights organizations and independent labor experts in all six CAFTA-DR countries generated the recommendations described here, as compiled in a recent USAID assessment. Local buy-in also has been ensured through ongoing relationships at USAID Missions throughout the region. This program is reflective of priorities in the White Paper.

- 160. PUBLIC DIPLOMACY STRATEGIES: Activities described represent a high profile partnership between the US Government and the governments of the region in modernizing their systems, giving Ministries of Labor the tools to improve access to labor justice and increase compliance with the law. They demonstrate that government commitments made during the CAFTA-DR process to improve labor conditions in the region are serious. These activities, therefore, will boost US credibility in the region significantly.
- 161. Comment. Post appreciates the opportunity to provide input into the identification of labor assistance priorities. Regional buy-in to the process is of vital importance, and we believe the activities above will bring about the maximum benefit and compliance with the CAFTA-DR agreement. We understand that the interagency group is working to obligate the funding for FY2006 as equitably and as rapidly as possible. Post hopes that future project requests will provide as much time as possible to work with the CAFTA-DR governments, business and NGO communities to develop these project ideas. We also wish to ensure that projects have the ability to access follow-on funding in future years to make sure that commitments negotiated within CAFTA-DR are met. Overall compliance with the letter and the spirit of the FTA are our goals, and some projects will require a several year commitment to see them through to conclusion. We look forward to the backing of the interagency group. End Comment.

Barclay